

Attorney or Party Name, Address, Telephone & Numbers, and California State Bar Number RON BENDER (SBN 143364); SUSAN K. SEFLIN (SBN 231865) LEVENE NEALE BENDER RANKIN & BRILL LLP 1801 Avenue of the Stars, Ste 1120 Los Angeles, CA 90067 (310) 229-1234; fax: (310) 229-1244		FOR COUNSEL USE ONLY <div style="border: 2px solid black; padding: 5px; text-align: center;"> <b>FILED</b>  <b>FEB 20 2004</b>  <small>CLERK U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA BY Deputy Clerk</small> </div>
<b>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA</b>		
In re:  FRANCOIS BARKHORDARIAN and GITY BARKHORDARIAN  <div style="text-align: right;">Debtor(s).</div>		CASE NO.:  LA 03-36173-TD

### NOTICE OF SALE OF ESTATE PROPERTY

<b>Sale Date:</b>	To be determined	<b>Time:</b>	
<b>Location:</b>	To be determined		

Type of Sale: ☐ Public ☐ Private Last date to file objections: \_\_\_\_\_

Description of Property to be Sold: \_\_\_\_\_

Parcels of raw undeveloped land as described in Exhibit "A" to the attached Motion.

Terms and Conditions of Sale: \_\_\_\_\_

PLEASE CONTACT MARIO PIATELLI, AUCTIONEER

at (323) 272-4444; fax: (310) 274-5666

or at mario@piatelli.com

Proposed Sale Price: \_\_\_\_\_

Overbid Procedure (If Any): \_\_\_\_\_

See above

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

See above for auctioneer

Date: 2/20/04

1  
2 RON BENDER (SBN 143364)  
3 SUSAN K. SEFLIN (SBN 231865)  
4 LEVENE, NEALE, BENDER, RANKIN & BRILL L.L.P.  
5 1801 Avenue of the Stars, Suite 1120  
6 Los Angeles, California 90067  
7 Telephone: (310) 229-1234  
8 Facsimile: (310) 229-1244

9  
10 Attorneys for Chapter 11 Debtors  
11 and Debtors in Possession  
12

13 UNITED STATES BANKRUPTCY COURT  
14  
15 CENTRAL DISTRICT OF CALIFORNIA  
16  
17 LOS ANGELES DIVISION  
18

19 In re

20 FRANCOIS BARKHORDARIAN and  
21 GITY BARKHORDARIAN,  
22  
23 Debtors.  
24

)  
) CASE NO. LA 03-36173-TD  
)

) Chapter 11  
)  
)

25 ) NOTICE OF MOTION AND MOTION  
26 ) FOR AUTHORITY TO SELL  
27 ) SUBSTANTIALLY ALL OF DEBTORS'  
28 ) REAL PROPERTY ASSETS FREE AND  
) CLEAR OF ALL LIENS, CLAIMS AND  
) INTERESTS PURSUANT TO 11 U.S.C. §  
) 363(b) AND (f); MEMORANDUM OF  
) POINTS AND AUTHORITIES;  
) DECLARATION OF FRANCOIS  
) BARKHORDARIAN IN SUPPORT  
) THEREOF  
)

29 ) DATE: March 17, 2004  
30 ) TIME: 10:30 a.m.  
31 ) PLACE: Courtroom "1345"  
32 ) 255 E. Temple St.  
33 ) Los Angeles, CA

1  
2  
3 TO THE HONORABLE THOMAS B. DONOVAN, UNITED STATES  
4 BANKRUPTCY JUDGE, THE UNITED STATES TRUSTEE, ALL CREDITORS, AND  
5 ALL PARTIES REQUESTING SPECIAL NOTICE:  
6

7 PLEASE TAKE NOTICE that Francois and Gity Barkhordarian, debtors and debtors in  
8 possession in the above-referenced Chapter 11 bankruptcy case (the "Debtors"), hereby file this  
9 Motion (the "Motion") requesting the Court to approve the sale of substantially all of the  
10 Debtors' remaining real property assets in an auction format free and clear of all liens, claims,  
11 and interests pursuant to 11 U.S.C. § 363.  
12

13 PLEASE TAKE FURTHER NOTICE that this Motion is based upon this Motion, the  
14 annexed Memorandum of Points and Authorities and the Declaration of the Francois  
15 Barkhordarian annexed hereto, 11 U.S.C. § 363, the statements, arguments and representations of  
16 counsel to be made at the hearing on the Motion, and all other evidence properly presented to the  
17 Court at or prior to the hearing on the Motion.  
18

19 In summary, the Debtors are individuals who are legally married. The Debtors are  
20 principally involved in the buying and selling of raw undeveloped land located throughout  
21 Southern California. The primary reason for the filing of the Debtors' bankruptcy case stems  
22 from the difficulties the Debtors have had in selling their real property over the last few years.  
23 While the Debtors currently own over thirty (30) parcels of raw undeveloped land, their attempts  
24 to sell such parcels over the past few years has been relatively unsuccessful, with only two  
25 parcels of land sold in the two years preceding the filing of their bankruptcy petition.  
26

27 In this bankruptcy case, the Debtors plan on liquidating all of their real property assets for  
28

1  
2 the benefit of their creditors. Therefore, pursuant to this Motion, the Debtors seek authority to  
3 sell the their parcels of real property through an auction sale to be conducted by The Piatelli  
4 Company ("Piatelli"), an auctioneer specializing primarily in real estate auctions. The Debtors  
5 believe that such an auction sale will result in an efficient disposition of the Debtors' assets and  
6 yield the maximum possible distribution to this estate.  
7

8 Concurrently with the filing of this Motion, the Debtors filed their application to employ  
9 Piatelli as their auctioneer in this case. The employment application sets forth the terms of the  
10 employment of Piatelli. In summary, Piatelli has agreed to conduct an auction of substantially all  
11 of the Debtors' real property assets in return for reimbursement of direct out of pocket expenses  
12 from the estate, which Piatelli expects to be, at most, \$10,000. The successful bidders will be  
13 required to pay to Piatelli a ten percent (10%) buyer's commission, which is consistent with  
14 industry standards. The Debtors believe that the foregoing compensation structure (i.e., the  
15 estate is responsible for direct out of pocket costs only) will yield the greatest distribution to the  
16 estate and all creditors.  
17

18 Dated: February 12, 2004

19 FRANCOIS BARKHORDARIAN and  
20 GITY BARKHORDARIAN, Individuals,

21 By:   
22

23 RON BENDER  
24 SUSAN K. SEFLIN  
25 LEVENE, NEALE, BENDER,  
26 RANKIN & BRILL L.L.P.  
27 Attorneys for Chapter 11 Debtors  
28 and Debtors in Possession

1  
2 **MEMORANDUM OF POINTS AND AUTHORITIES**

3 **I. STATEMENT OF FACTS**

4  
5 **A. Background**

6 The Debtors commenced their bankruptcy case by filing a voluntary petition under  
7 Chapter 11 of 11 U.S.C. § 101 et seq. (the "Bankruptcy Code") on October 8, 2003 (the "Petition  
8 Date"). The Debtors are individuals who are legally married. The Debtors are principally  
9 involved in the buying and selling of raw undeveloped land located throughout Southern  
10 California. The Debtors continue to operate their business and manage their financial affairs as  
11 debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

12 The primary reason for the filing of the Debtors' bankruptcy case stems from the  
13 depressed market for raw undeveloped land that has plagued Southern California for the past few  
14 years. While the Debtors currently own over thirty (30) parcels of raw land, their attempts to sell  
15 such parcels over the past few years have been relatively unsuccessful, with only two parcels of  
16 land sold in the past two years. As a result of the Debtors' inability to sell parcels at the speed  
17 and prices at which the Debtors had expected, the Debtors became unable to remain current with  
18 their creditors.  
19

20  
21 In this bankruptcy case, the Debtors plan on liquidating all of their real property assets for  
22 the benefit of their creditors. The Debtors have been interviewing both auctioneers and real  
23 estate brokers since the Petition Date in an effort to liquidate their real property assets in a  
24 manner which results in the highest return to their estate in an efficient manner. The Debtors  
25 have successfully sold one parcel of real property, with the motion for approval of that sale set to  
26 be heard by this Court on the same day as this Motion. However, the Debtors have been  
27 unsuccessful in obtaining offers on the remainder of their parcels of real property. Therefore,  
28

1  
2 pursuant to this Motion, the Debtors seek authority to sell the substantially all of their parcels of  
3 real property through an auction sale to be conducted by The Piatelli Company ("Piatelli"), an  
4 auctioneer specializing primarily in real estate auctions. Attached as Exhibit "A" to the annexed  
5 declaration of Francois Barkhordarian is a list of the property to be sold at the auction conducted  
6 by Piatelli. The Debtors believe that such an auction sale will result in an efficient disposition of  
7 the Debtors' assets and yield the maximum possible distribution to this estate.  
8

9 Concurrently with the filing of this Motion, the Debtors filed their application to employ  
10 Piatelli as their auctioneer in this case. The employment application sets forth the terms of the  
11 employment of Piatelli. In summary, Piatelli has agreed to conduct an auction of substantially all  
12 of the Debtors' real property assets in return for reimbursement of direct out of pocket expenses  
13 from the estate, which Piatelli expects to be, at most, \$10,000. The successful bidders will be  
14 required to pay to Piatelli a ten percent (10%) buyer's commission, which is consistent with  
15 industry standards.  
16

17 All proceeds of the proposed sale (other than the, at most, \$10,000 reimbursement to  
18 Piatelli) will be placed in an interest bearing trust account maintained by the Debtors' bankruptcy  
19 counsel, Levene, Neale, Bender, Rankin & Brill L.L.P.  
20

21 The Debtors believe that the foregoing sale process will insure that the real property  
22 assets are sold efficiently and for the highest price at the lowest cost. As a result, the Debtors  
23 believe that the proposed sale is in the best interest of their estate and their creditors.  
24

25 ///

26 ///

27 ///

## II. DISCUSSION

### A. The Court Should Approve the Proposed Auction of the Debtor's Assets Pursuant to Section 363(b) of the Bankruptcy Code.

Section 363(b)(1) of the Bankruptcy Code provides:

"The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). This provision also pertains to debtors-in-possession pursuant to the provisions of Sections 1107 and 1108 of the Bankruptcy Code.

As a general matter, "a judge determining a Section 363(b) application [should] find from the evidence presented before him at the hearing a good business reason to grant such an application." In re Lionel Corp., 722 F.2d 1063, 1071 (2d Cir. 1983).

Certain factors pertinent to this analysis have been articulated; specifically, the Court should consider whether:

- (1) a sound business purpose justifies the sale;
- (2) accurate and reasonable notice of the sale was provided;
- (3) the price to be paid is adequate, i.e., fair and reasonable; and
- (4) the sale is in good faith, i.e., there is an absence of any lucrative deals with insiders.

In re Industrial Valley Refrig. and Air Cond. Supplies, Inc., 77 B.R. 15, 21 (Bankr. E.D. Pa. 1987); In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841-2 (Bankr. C.D. Cal. 1991); In re The Landing, 156 B.R. 246, 249 (Bankr. E.D. Mo. 1993); In re George Walsh Chevrolet, Inc., 118 B.R. 99, 102 (Bankr. E.D. Mo. 1990); In re WBQ Partnership, 189 B.R. 97, 102 (Bankr. E.D. Va. 1995); In re Lady H. Coal Co., Inc., 193 B.R. 233 (Bankr. S.D.W. Va. 1996).

1  
2 As described in detail below, the Debtors' proposed auction sale of substantially of their  
3 real property assets is appropriate and should be approved by the Court.

4  
5 **1. Sound Business Purpose.**

6 There must be some articulated business justification, other than appeasement of major  
7 creditors, for using, selling or leasing property out of the ordinary course of business before the  
8 bankruptcy judge may order such disposition under Section 363(b). In re Lionel Corp., *supra*,  
9 722 F.2d at 1070. The Ninth Circuit Bankruptcy Appellate Panel in Walter v. Sunwest Bank (In  
10 re Walter), 83 B.R. 14, 19 (9<sup>th</sup> Cir. B.A.P. 1988), adopted a flexible case-by-case test to  
11 determine whether the business purpose for a proposed sale justifies disposition of property of  
12 the estate under Section 363(b). In Walter, the Bankruptcy Appellate Panel, adopting the  
13 reasoning of the Fifth Circuit in In re Continental Airlines, Inc., 780 F.2d 1223 (5<sup>th</sup> Cir. 1986)  
14 and the Second Circuit in In re Lionel Corp., *supra*, articulated the standard to be applied under  
15 Section 363(b) as follows:  
16

17 "Whether the proffered business justification is sufficient depends on  
18 the case. As the Second Circuit held in Lionel, the bankruptcy judge  
19 should consider all salient factors pertaining to the proceeding and,  
20 accordingly, act to further the diverse interests of the Debtor, creditors  
21 and equity holders, alike. He might, for example, look to such  
22 relevant facts as the proportionate value of the asset to the estate as a  
23 whole, the amount of elapsed time since the filing, the likelihood that  
24 a plan of reorganization will be proposed and confirmed in the near  
25 future, the effect of the proposed disposition on future plans of  
26 reorganization, the proceeds to be obtained from the disposition vis-a-  
27 vis any appraisals of the property, which of the alternatives of use,  
28 sale or lease the proposal envisions and, most importantly perhaps,  
whether the asset is increasing or decreasing in value. This list is not  
intended to be exclusive, but merely to provide guidance to the  
bankruptcy judge."

In Re Walter, *supra*, 83 B.R. at 19-20, *citing* In re Continental Air Lines, Inc., 780 F.2d 1223,  
1226 (5<sup>th</sup> Cir. 1986).



1  
2 The facts pertaining to the Debtors' proposed auction sale of their real property assets  
3 amply substantiate the Debtors' business decision that proceeding with such sale is in the best  
4 interest of this estate and merits the approval of this Court.

5  
6 As debtors in possession, the Debtors have the duty to administer the assets of their estate  
7 and maximize their value for the benefit of all creditors. As discussed above, the Debtors are  
8 liquidating their real property assets for the benefit of their estate and believe that the proposed  
9 auction sale by Piatelli will yield the maximum value to their estate in the most expeditious  
10 manner possible.

11  
12 The foregoing clearly demonstrates that the auction sale is justified by sound business  
13 purposes, satisfying the first requirement for a sale under Section 363(b) of the Bankruptcy Code.

14 **2. Accurate and Reasonable Notice.**

15 The Debtors believe that the notice to be provided by Piatelli regarding the auction sale is  
16 reasonable and fair in light of the circumstances of this case. Piatelli will market the sale through  
17 newspaper advertisements, direct mail and e-mail notifications. Finally, the notice of the auction  
18 sale will be sent to all creditors and parties in interest in this case. As a result, there will be fair  
19 and adequate notice regarding the sale of the Debtors' assets.

20  
21 **3. Fair and Reasonable Price.**

22 In order to be approved under Section 363(b) of the Bankruptcy Code, the purchase price  
23 must be fair and reasonable. Coastal Indus., Inc. v. U.S. Internal Revenue Service (In re Coastal  
24 Indus., Inc.), 63 B.R. 361, 368 (Bankr. N.D. Ohio 1986). Several courts have held that "fair  
25 value" is given for property in a bankruptcy sale when at least 75% of the appraised value of such  
26 property is paid. See In re Karpe, supra, 84 B.R. at 933; In re Abbotts Dairies of Pennsylvania,  
27 Inc., 788 F.2d 143, 149 (3d Cir. 1986); Willemain v. Kivitz, 764 F.2d 1019 (4<sup>th</sup> Cir. 1985); In re  
28

1  
2 Snyder, 74 B.R. 872, 878 (Bankr. E.D. Pa. 1987); In re The Seychelles Partnership and Genius  
3 Corp. v. Banyan Corp., 32 B.R. 708 (N.D. Tex. 1983). However, the Debtors also realize that  
4 "its main responsibility, and the primary concern of the bankruptcy court, is the maximization of  
5 the value of the asset sold." In re Integrated Resources, Inc., 135 B.R. 746, 750 (Bankr. S.D.N.Y.  
6 1992), *aff'd*, 147 B.R. 650 (S.D.N.Y. 1992). "It is a well-established principle of bankruptcy law  
7 that the objective of bankruptcy sales and the [Debtors'] duty with respect to such sales is to  
8 obtain the highest price or greatest overall benefit possible for the estate." In re Atlanta  
9 Packaging Products, Inc., 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988); see also In re Wilde Horse  
10 Enterprises, supra, 136 B.R. at 841 ["in any sale of estate assets, the ultimate purpose is to obtain  
11 the highest price for the property sold"].  
12  
13

14 The Debtors submit that the proposed auction procedures will yield a fair and reasonable  
15 price for their real property assets in the most expeditious manner possible and minimize the  
16 costs to the estate. As discussed above, Piatelli will market the auction sale to the public and  
17 provide notice of the sale to all creditors and parties in interest in this case. Thereafter, an  
18 auction will be held pursuant to which, by definition, the highest price will be paid and the  
19 buyers will be paying the auction fee as a buyer's premium. Based on the foregoing, the Debtors  
20 submit that an auction sale of the Debtors' assets in the manner described above will yield a fair  
21 and reasonable price for their real property assets.  
22

23 **4. Good Faith.**

24 When a bankruptcy court authorizes a sale of assets pursuant to Section 363(b)(1), it is  
25 required to make a finding with respect to the "good faith" of the purchaser. In re Abbotts  
26 Dairies, supra, 788 F.2d at 149. Such a procedure ensures that Section 363(b)(1) will not be  
27 employed to circumvent the creditor protections of Chapter 11, and as such, it mirrors the  
28

1  
2 requirement of Section 1129, that the Bankruptcy Court independently scrutinizes the proposed  
3 sale and makes a finding that it has been proposed in good faith. Id. at 150.

4  
5 "Good faith" encompasses fair value, and further speaks to the integrity of the  
6 transaction. In re Wilde Horse Enterprises, supra, 136 B.R. at 842. With respect to the debtor's  
7 conduct in conjunction with the sale, the good faith requirement "focuses principally on the  
8 element of special treatment of the debtor's insiders in the sale transaction." See In re Industrial  
9 Valley Refrig. and Air Cond. Supplies, Inc., supra, 77 B.R. 15, 17. With respect to the buyer's  
10 conduct, this Court should consider whether there is any evidence of "fraud, collusion between  
11 the purchaser and other bidders or the [debtor], or an attempt to take grossly unfair advantage of  
12 other bidders." In re Abbotts Dairies, supra, 788 F.2d at 147, In re Rock Indus. Mach. Corp., 572  
13 F.2d 1195, 1198 (7<sup>th</sup> Cir. 1978); In re Wilde Horse Enterprises, Inc., supra, 136 B.R. at 842; In re  
14 Alpha Industries, Inc., 84 B.R. 703, 706 (Bankr. D. Mont. 1988). In short, "[l]ack of good faith  
15 is generally determined by fraudulent conduct during the sale proceedings." In re Apex Oil Co.,  
16 92 B.R. 847, 869 (Bankr. E.D.Mo. 1988), *citing* In re Exennium, Inc., 715 F.2d 1401, 1404-05  
17 (9<sup>th</sup> Cir. 1983).  
18  
19

20 The Debtors submit that the proposed auction sale of their real property assets will be  
21 conducted in good faith. As set forth in the concurrently filed application to employ Piatelli,  
22 Piatelli is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy  
23 Code. Therefore, Piatelli has no connections to the Debtors, any creditors of the Debtors, or any  
24 other party in interest in this case. Moreover, the purchasers of the Debtors' various parcels of  
25 real property will be the persons or entities who offer the highest price for such assets through  
26 open and competitive bidding. This process will insure that any purchase is accomplished in  
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1  
2 good faith. Finally, the auction process will not confer any benefits on the Debtors or their  
3 representatives and the Debtors are not aware of any agreements between any parties that have  
4 not been disclosed to the Court.  
5

6 **B. Section 363(f) of the Bankruptcy Code Permits the Auction Sale to Be Free and**  
7 **Clear of All Interests.**

8 Section 363(f) of the Bankruptcy Code provides, in relevant part, as follows:

9 "The trustee may sell property under subsection (b) . . . of this section free and clear of  
10 any interest in such property of an entity other than the estate, only if--

11 (1) applicable non-bankruptcy law permits the sale of such property free and clear of  
12 such interest;

13 (2) such entity consents;

14 (3) such interest is a lien and the price at which such property is to be sold is greater  
15 than the aggregate value of all liens on such property;

16 (4) Such interest is in bona fide dispute; or

17 (5) such entity could be compelled, in a legal or equitable proceeding, to accept a  
18 money satisfaction of such interest."  
19

20 11 U.S.C. §363(f).

21 Section 363(f) of the Bankruptcy Code was drafted in the disjunctive. Thus, the Debtors  
22 need to satisfy only one of the five subsections of Section 363(f) in order for the auction sale to  
23 be free and clear of all interests.  
24

25 The Debtors are not aware of any lien or interest or any claim of a lien or an interest  
26 against the Property, other than nominal unpaid real property taxes. Any unpaid real property tax  
27  
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1  
2 on a parcel of real property will be paid from the proceeds of its sale. Therefore, any ultimate  
3 buyer of such real property is entitled to ownership free and clear of liens and interests.  
4

5 The Debtors have therefore satisfied at least one of the five subsections of Section 363(f)  
6 of the Bankruptcy Code in order to conduct an auction sale of their assets free and clear of all  
7 liens, claims and interests.

### 8 III. CONCLUSION

9 Based upon all of the foregoing, the Debtors respectfully request that the Court enter an  
10 order:  
11

- 12 1. granting the Motion in its entirety;  
13 2. authorizing the Debtors' to conduct an auction sale of their real property assets in  
14 the manner described above free and clear of all liens, claims and interests; and  
15 3. granting such other and further relief as the Court deems just and proper.

16 Dated: February 12, 2004

FRANCOIS BARKHORDARIAN and  
17 GITY BARKHORDARIAN, Individuals,

18  
19 By: 

20 RON BENDER  
21 SUSAN K. SEFLIN  
22 LEVENE, NEALE, BENDER,  
23 RANKIN & BRILL L.L.P.  
24 Attorneys for Chapter 11 Debtors  
25 and Debtors in Possession  
26  
27  
28

1  
2 **DECLARATION OF FRANCOIS BARKHORDARIAN**  
3

4 I, Francois Barkhordarian, hereby declare as follows:

5 1. I have personal knowledge of the facts set forth below and, if called to testify, I  
6 would and could competently testify thereto.

7 2. I am one of the chapter 11 debtors in the above-entitled bankruptcy case. My  
8 wife, Gity Barkhordarian, and I ("we") commenced this bankruptcy case by filing a voluntary  
9 petition under Chapter 11 of the Bankruptcy Code on October 8, 2003. We continue to operate  
10 our business and manage our financial affairs as debtors in possession.  
11

12 3. We are principally involved in the buying and selling of raw undeveloped land  
13 located throughout Southern California. The primary reason for the filing of our bankruptcy case  
14 stems from the depressed market for raw undeveloped land that has plagued Southern California  
15 for the past few years. While we currently own over thirty (30) parcels of raw land, our attempts  
16 to sell such parcels over the past few years have been relatively unsuccessful, with only two  
17 parcels of land sold in the past two years.  
18

19 4. In this bankruptcy case, we plan on liquidating all of our real property assets.  
20 Along with our bankruptcy counsel, we have been interviewing both auctioneers and real estate  
21 brokers since the Petition Date. We have successfully sold one parcel of real property. However,  
22 we have been unsuccessful in obtaining offers on the remainder of our parcels of real property.  
23 Attached hereto as Exhibit "A" is a list of the remainder of our parcels of real property that we  
24 hope to sell for the benefit of our creditors. Because of the difficulties that we have had with  
25 selling the real property in the past and in an effort to facilitate the sale of our real property, we  
26  
27  
28

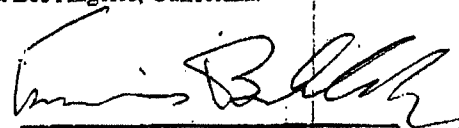
1  
2 are employing, subject to Court approval, The Piatelli Company ("Piatelli"), an auctioneer  
3 specializing primarily in real estate auctions, to conduct an auction sale of substantially all of our  
4 real property assets.

5  
6 5. I believe that such an auction sale will result in an efficient disposition of the  
7 substantially all of our real property assets and will yield the maximum possible distribution to  
8 our estate.

9 6. I believe that the proposed sale is in the best interest of our estate.

10 I declare under penalty of perjury that the foregoing is true and correct.

11 Executed this 20<sup>th</sup> day of February, 2004, at Los Angeles, California.

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FRANCOIS BARKHORDARIAN

## EXHIBIT " A "

## Land Auction Master List

APN #	Acres	County	Section	Range	T'ship
3247-018-038	160	L.A.	15	17w	5n
2069-015-032	1-1/2	L.A.			
8021-027-042	Lot	L.A.	11	12w	3s
5189-002-016	Lot	L.A.	Lot 30		
8206-027-069	Lot	L.A.	Strip		
=====	=====	=====	=====	=====	=====
California =====	City	=====	Kern	County	=====
211-123-07	Lot	Kern	Lot 139	82x125	
213-381-37	Lot	Kern	Lot 48	75x110	
213-424-01	Lot	Kern	Lot 102	80x85	
214-081-09	3-3/4	Kern	3	38E	32S
218-300-01	13	Kern	21	37E	32S
225-091-09	17-1/2	Kern	23	36E	32S
=====	=====	=====	=====	=====	=====
469-300-31	96	Kern	19	37E	31
225-204-01	39-1/2	Kern	26	36	32
470-370-01	21	Kern	Lot 28	Phillips	Rd
470-350-07	17-1/2	Kern	Lot 17	Pioneer	Rd
225-091-08	12-1/2	Kern	23	36E	32S
470-330-07	10	Kern	32	37E	31S
469-082-03	5.4	Kern	7	37E	31S
470-312-07	5	Kern	33	37E	31S
Blank					
511-082-05	2-1/4	Kern	17	40E	17S
231-220-12	2	Kern	Lot 78		
231-220-13	1	Kern	Lot 80		
231-220-14	1-1/2	Kern	Lot 110		
429-184-01	2	Kern	4	12W	10N
231-241-01	1	Kern	Lot 168	Hwy 58	
231-243-01	1	Kern	Lot 166	Hwy 58	
231-243-02	Lot	Kern	Lot 165	Hwy 58	
238-131-08	Lot	Kern	Lot 19	+ lot 20	50x150
238-131-10	Lots	Kern	Lots 11	To 16	150x110
238-131-11	Lots	Kern	Lot 9	+ Lot 10	50x110
238-131-12	Lots	Kern	Lot 7	+ lot 8	50x110



1  
2 **PROOF OF SERVICE**

3 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

4 I am an employee in the County of Los Angeles, State of California. I am over the age of 18 and  
5 am not a party to the within action; my business address is: 1801 Avenue of the Stars, Suite 1120, Los  
6 Angeles, California 90067.

7 On February 20, 2004 I served the foregoing document(s) described as:

8 **NOTICE OF MOTION AND MOTION FOR AUTHORITY TO SELL SUBSTANTIALLY ALL OF DEBTORS'**  
9 **REAL PROPERTY ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS PURSUANT TO 11**  
10 **U.S.C. § 363(b) AND (f); MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF FRANCOIS**  
11 **BARKHORDARIAN IN SUPPORT THEREOF**

12 On the interested parties in this action by placing a true copies thereof, enclosed in sealed envelopes,  
13 with first class postage thereon fully prepaid, in the United States mail at Los Angeles, California,  
14 (unless otherwise indicated to be by Federal Express, Overnight mail, messenger or fax) addressed as  
15 follows:

16 Office of the United States Trustee  
17 20 Largest creditors  
18 Parties requesting special notice  
19 (See attached)

20 x (By Mail) I caused such envelope with postage thereon, fully prepaid to be placed in the United  
21 States mail. Executed on February 20, 2004, at Los Angeles, California.

22 x (Federal) I declare that I am an employee in the offices of a member of the State Bar of this Court  
23 at whose direction the service was made.

24 I declare under penalty of perjury under the laws of the United States of America that the foregoing is true  
25 and correct.

26  
27   
28 Marguerite Hardin

BARKHORDARIAN  
RSN

U.S. Trustee  
725 S. Figueroa St., 26th Floor  
Los Angeles, CA 90017

Becket & Lee  
For: American Express Centurian Bank  
PO Box 3001  
Dept V  
Malvern, PA 19355-0701

ECAST Settlement Corp.,  
Assignee of MBNA America Bank  
PO Box 35480  
Newark, NJ 07193-5480

Attorneys for County of Kern  
Teresa Fifer, Esq.  
County of Kern  
1115 Truxtun Ave., 2<sup>nd</sup> Floor  
Bakersfield, CA 93301

Bank of America  
P.O. Box 53132  
Phoenix, AZ 85072-3132

Chase  
P.O. Box 52195  
Phoenix, AZ 85072-2195

Chase Manhattan  
P.O. Box 52195  
Phoenix, AZ 85072-2195

Chase Manhattan  
P.O. Box 52195  
Phoenix, AZ 85072-2195

Citibank  
P.O. Box 6405  
The Lakes, NV 88901-6405

Citibank  
P.O. Box 6415  
The Lakes, NV 88901-6415

Citibank  
Credit Card Processing Center  
P.O. Box 6273  
Sioux Falls, SD 57117-6273

Discover Card  
P.O. Box 30395  
Salt Lake City, UT 84130-0395

Discover Card  
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Salt Lake City, UT 84130-0395

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Salt Lake City, UT 84130-0395

Discover Card  
P.O. Box 30395  
Salt Lake City, UT 84130-0395

HSBC Bank USA  
Suite 5356  
Buffalo, NY 14270-5356

KeyBank  
P.O. Box 6409  
The Lakes, NV 88901-6409

MBNA America  
P.O. Box 15137  
Wilmington, DE 19886-5137

MBNA America  
P.O. Box 15137  
Wilmington, DE 19886-5137

MBNA America  
P.O. Box 15137  
Wilmington, DE 19886-5137

MBNA America  
P.O. Box 15137  
Wilmington, DE 19886-5137

US Bank  
P.O. Box 790084  
Saint Louis, MO 63179-0084

United States Trustee  
725 S. Figueroa St., 26<sup>th</sup> Floor  
Los Angeles, CA 90017